

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6373

BILL NUMBER: HB 1343

NOTE PREPARED: May 9, 2011

BILL AMENDED: Mar 8, 2011

SUBJECT: Lake and River Enhancement Fund.

FIRST AUTHOR: Rep. Neese

FIRST SPONSOR: Sen. Head

BILL STATUS: Enrolled

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows money in the Lake and River Enhancement Fund (LARE) to be used in projects such as sediment removal, control of exotic or invasive plants or animals, or removal of logjams or obstructions.

Effective Date: July 1, 2011.

Explanation of State Expenditures: The bill expands the type of projects for which the fund could be used. The bill specifies that the fund may not be used for projects relating to a manmade ditch or waterway.

As of June 2010, new LARE grant awards for biological, engineering, and watershed land treatment projects have been suspended indefinitely.

Approved funding for 2009 through 2010 included 30 projects for aquatic vegetation management in 14 counties, for \$993,040, and 6 sediment removal projects in 3 counties for \$339,989, for a total of \$1.3 M.

In 2010, \$2.1 M was transferred from LARE to the state General Fund.

Background. The fund consists of the revenue from the LARE fee paid by boat owners. The amount of the fee varies from \$5 to \$25 and is based on the value of the boat (from less than \$1,000 to at least \$10,000). The revenue from the LARE fee must be deposited as follows:

- (1) 2/3 must be deposited in the LARE fund.
- (2) 1/3 must be deposited in the Conservation Officers Marine Enforcement Fund.

With respect to the LARE fund, under existing law, ½ of the fund must be used to pay administrative costs of the Department of Natural Resources (DNR), and ½ must be used by the DNR for lake projects that could include projects to remove sediment or to control exotic or invasive plants or animals.

LARE fund revenue for FY 2009 and FY 2010 are listed below.

Fund	Description	FY 2009 Revenue	FY 2010 Revenue
36010	Lake Enhancement (F&W)	\$2,757,564	\$2,319,216
36020	Conservation Officers Marine Enforcement	\$1,281,101	\$1,173,268
36030	Special Boat Patrol Needs	\$320,275	\$293,317
Fund Totals		\$4,358,940	\$3,785,801

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Although grants from the fund have been suspended, expanding the use of the fund will likely increase the number or types of projects for which the fund can be used in the future.

State Agencies Affected: DNR.

Local Agencies Affected: Entities with lake and river enhancement projects.

Information Sources: DNR.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.